Agency:	**107** Health Care Authority
Decision Package Code/Title:	**PL–KN Implement Bright Futures Benefit**
Budget Period:	**2014 Supplemental Submittal**
Budget Level:	**PL –** Policy Level

Recommendation Summary Text

The Heath Care Authority (HCA) requests $16,886,000 ($7,498,000 GFS) in the 2013-2015 biennium for funding to implement coverage for additional well-child visits and universal screenings for early identification of developmental conditions based on the American Academy of Pediatrics and supported by research - *Bright Futures* guidelines, a national initiative supporting the health status of children.

Package Description

Adding coverage for additional well-child check visits and screenings will align HCA benefits and services with the preventive care provisions of the Affordable Care Act, the Health Benefit Exchange coverage for children and the recommendations of the January 2013, *Bright Futures Guidelines and Washington State Medical Assistance Programs* report produced by the Washington State Institute for Public Policy.

The desired outcome of expanding the well-child visit schedule is the promotion of health for all children covered by Medicaid by assuring early identification of developmental and behavioral conditions which will result in a referral for timely, appropriate care, as clinically indicated and provide equitable treatment of Medicaid children.

Funds are requested to reimburse primary care providers for performing well-child checks for children and conducting routine screenings of the child's growth and development following the Bright Futures periodicity schedule which expands on the current EPSDT schedule. Some providers are performing these additional screenings without additional reimbursement, but not all practices are able to do so. This can put a child at risk for delayed identification of conditions, which delays the initiation of treatment for unmet developmental delays or behavioral health conditions. Early identification and treatment improves outcomes for families and children.

The additional services that would be covered with these funds are:

- An additional well-child visit during the first and second years of life;
- A well-child visit between the 24th and 30th month of life;
- A well-child visit annually for children age 6 through age 20 (there is biannual coverage now);
- Developmental screens at 9, 18, and 24 months of age;
- Autism screens at 18 and 24 months of age (Additional funds are required to provide screening for autism for all children covered by Apple Health for Kids. The $300,000 dollars allocated in the Autism step in the 13-15 biennium enacted budget provided only sufficient funds for a defined subset of covered children identified at significant risk for autism).

Coverage for additional well-child visit checks strengthens the primary care provider –child/family relationship and is key towards addressing emerging physical and behavioral health care conditions in children and youth. Assessments conducted during the well-child check identify conditions linked to long-term poor educational and health outcomes. Exposure to these conditions, known as Adverse Childhood Experiences (ACEs) can set an individual on a life course that results in poor

educational outcomes and vocational possibilities and chronic physical and behavioral health conditions - all of which can place a drain on society and a state's funds.

A series of studies has established strong linkages between ACEs and long-term behavioral health and chronic medical conditions. Although the majority of these studies have focused on adults, the impact of these experiences is likely to become apparent during childhood and adolescence.

Mining administrative data, Department of Social and Health Services, Research and Data Analysis (DSHS-RDA) were able to identify characteristics of ACEs among family members and their children. They found that one third of DSHS-Medicaid youth (ages 12-17) had three or more of these adverse experiences. The odds of having a substance abuse or mental health problem documented in state administrative data during adolescence increased substantially with each added adverse experience with child abuse or neglect increasing behavioral health risk at a much higher rate than other factors.
(See http://www.dshs.wa.gov/pdf/ms/rda/research/11/178.pdf)

A recent report produced by DSHS-RDA suggests a need for greater primary care provider prevention services provided to low income youth. DSHS-RDA reported that youth with mental health and substance use disorder conditions are far less likely to graduate and more likely to drop out of high school and had poorer test outcomes compared to peers without such conditions. Youth with behavioral health needs were also more likely to experience an array of challenges and risk factors associated with educational failure, including juvenile justice involvement, homelessness, early childbirth, school changes and emergency room use.

DSHS service use patterns suggest that youth with behavioral health needs were often living in difficult family situations, including both abuse/neglect and deeper poverty levels. These findings highlight the importance of a greater primary care role, along with an integrated approach to services and information sharing across systems serving children with behavioral health needs. (See http://publications.rda.dshs.wa.gov/1486/).

The HCA's Washington Apple Health (Medicaid) program presently services 46% of children in the state of Washington. ACEs, particularly among low income children, suggest the need for stronger family-primary care provider relationships where regular checks and screens are conducted on children and, through family interview, their parents. Family challenges can be identified through these visits and interventions employed to address these problems. These problems include children exposed to family-based risky behaviors such as smoking, heavy and binge drinking, family members with drug problems or who are addicted to drugs. Children raised in these environments are far more likely to develop chronic disease as adults, including both physical health and mental health conditions.

There are obvious societal and financial risks to our state if more isn't done to both mitigate and eliminate these risks. ACEs data supports the need for regular visits to a primary care provider aimed at regular screening and education including: 1) developmental assessment and as appropriate referral in young children; 2) early recognition of family challenges that place the child

at risk for future health problems; and 3) assessment and counseling on risky behaviors (firearms, substance use and unprotected sex) in adolescents.

A previous report, entitled *Children's Healthcare Improvement System*, produced for the 2008 legislature (resulting from 2007 SSB 5093) with participation by over 40 members of the child-based stakeholder community including representatives of the Children's Alliance and the University of Washington Department of Pediatrics, recommended changes to the well-child visit schedule to conform to Bright Futures well-child visit schedule. Due to budget constraints resulting from the last recession the agency did not request the funding and this recommendation was not enacted into policy.

Questions related to this decision package should be directed to Tom Aldrich at (360) 725-1363 or at Thomas.Aldrich@hca.wa.gov.

Fiscal Detail/Objects of Expenditure

	FY 2014	FY 2015	Total
1. Operating Expenditures:			
Fund 001-1 GF-State	$ -	$ 7,498,000	$ 7,498,000
Fund 001-2 GF-Federal	$ -	$636,000	$ 636,000
Fund 001-7 GF-Private/Local	$ -	$ 33,000	$ 33,000
Fund 001-C GF-Federal Medicaid Title XIX	$ -	$ 8,719,000	$ 8,719,000
Total	**$ -**	**$ 16,886,000**	**$ 16,886,000**

	FY 2014	FY 2015	Total
2. Staffing:			
Total FTEs	-	-	-

	FY 2014	FY 2015	Total
3. Objects of Expenditure:			
A - Salaries And Wages	$ -	$ -	$ -
B - Employee Benefits	$ -	$ -	$ -
C - Personal Service Contracts	$ -	$ -	$ -
E - Goods And Services	$ -	$ -	$ -
G - Travel	$ -	$ -	$ -
J - Capital Outlays	$ -	$ -	$ -
N - Grants, Benefits & Client Services	$ -	$ 16,886,000	$ 16,886,000
Other (specify) -	$ -	$ -	$ -
Total	**$ -**	**$ 16,886,000**	**$ 16,886,000**

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	FY 2014	FY 2015	Total
4. Revenue:			
Fund 001-2 GF-Federal	$ -	$ 636,000	$ 636,000
Fund 001-7 GF-Private/Local	$ -	$ 33,000	$ 33,000
Fund 001-C GF-Federal Medicaid Title XIX	$ -	$ 8,719,000	$ 8,719,000
Total	**$ -**	**$ 9,388,000**	**$ 9,388,000**

Narrative Justification and Impact Statement

The performance outcomes expected are identification of developmental delay conditions, including speech delay, learning disabilities, ADHD, and other mental or behavioral issues, and referral for required health care services. Early identification and referral for services will promote the health of the child and the family. Required services such as speech therapy and behavioral intervention are required to support the child's ability to be ready for and participate in school. In addition children receiving appropriate timely services will become healthy, self-sufficient adults. These services also assist the families in caring for the child.

The undesirable results that will be reduced are short-term and long-term and include: inability to communicate or independently perform activities of daily living; mothers who can't work because they need to stay home to care for a disabled child; children dropping out of school; children who become unemployable adults; and children who develop chronic physical and behavioral health conditions as an adult. Ultimately, many of these outcomes drain a state's resources including additional requirements for state-funded services, such as increased need for health care services and housing , e.g. skilled nursing admissions, assisted living and personal care as an adult.

The efficiencies gained will be through less long-term costs and demand on health care resources, e.g., therapies, treatment for chronic physical and behavioral health conditions, and skilled nursing facility, assisted living admissions and personal care. Efficiencies are gained through having productive, healthy Washington state residents, adults and families.

The expected impact on clients will be early intervention with medically necessary services as a result of early identification of conditions or health care problems. These services would be directed at helping the client learn skills which will help them function as independently as possible in their environment and, for many, completely overcome any skill deficits so they are functioning independently.

The impact of state citizens and other agencies are beneficial. By providing services early to developmentally delayed children, the efficiencies to be gained with a reduction of services required as adults and their ability to be independent and be employed to the extent feasible will result in tax dollar savings or the redirection of these funds for other purposes.

Performance Measure Detail

Activity Inventory

H008 HCA Children's Health Program Clients
H010 HCA Healthy Options
H011 HCA All Other Clients - Fee for Service - Mandatory Services

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, this decision package is essential to implement the Agency's strategic plan. It supports the purchasing of quality health care consistent with national standards of preventive care and benefits for the children covered by Medicaid. It also promotes the health and well-being through timely access to care and provides the same benefits to low income children as higher income children served through the Health Benefits Exchange.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, this decision package provides essential support to Governor Inslee's Results Washington Goal 4: Healthy and Safe Communities by assuring children receive well-child check-ups more frequently and routine screenings regularly to support the timely identification of conditions requiring treatment.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government (POG) process?

Yes, this decision package makes key contributions to statewide results by assuring the efficient use of state health care dollars and reducing costs associated with higher levels of services, required for longer periods of time, e.g. hospitalization, skilled nursing care, assisted living and personal care. By implementing more frequent health screens for children, needed services will be implemented sooner, and will result long term in a healthier Washington.

What are the other important connections or impacts related to this proposal?

The stakeholders with this decision package are parents and physicians. Both groups are in favor of coverage for these services. Pediatricians especially would like to see all children receive these services and the subsequent treatment. The Washington American Academy of Pediatrics (WAAP) has strong support for this request. The Department of Health also strongly supports this request.

The related legal matter would be the ACA requires commercial carriers to cover these services under the Bright Futures initiatives nationally; many state Medicaid agencies are already funding this level of service. Failing to fund this initiative would mean lower standards of health care services for children enrolled in Apple Health for Kids and could result in client stakeholders and advocates seeking a legal avenue for coverage. Further, we are already seeing through documented research the impact of poverty and the conditions resulting from it on the health of young children, and as grown adults their ability to be fully functioning and healthy Washington citizens.

What alternatives were explored by the agency, and why was this alternative chosen?

The alternative considered would be to not fund the additional services for children and disregard the national Bright Futures initiative. This will result in a tiered approach to health care for children in our state because these recommendations are required by the ACA for commercial carriers.

The funding support needed is of a level that alternative funding sources is not really an option.

What are the consequences of not funding this package?

The consequence will be failure to provide Medicaid covered children a level of services that has been deemed best practice and essential to promote their well-being. Failure to fund this package means further generations of Washington children will not receive the same high-quality pediatric care that could result in early identification, referral and intervention for both developmental and behavioral health conditions.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

There would be no need for statute.

Washington Administrative Code would require modifications to include these services. State Plan would require an amendment to include these services. Managed care plan contracts would require an amendment to include these services.

Expenditure and Revenue Calculations and Assumptions

Revenue Calculations and Assumptions:

See below.

Expenditure Calculations and Assumptions:

See below.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Distinction between one-time and ongoing costs:

These costs would be on-going.

Budget impacts in future biennia:

Potential reduction in costs associated with health care services, including those provided through Department of Social and Health Services; costs associated with juvenile justice or corrections.

Financial Models

Estimate Cost for Additional Well Child Visits

Fee for Service and Managed Care

Additional Screening/Visits	FFS Estimate Eligible clients	MC Estimate clients	FY13 Total			
			FY13 Total	GFS	GFF	Local
Birth to 11 months	9444	41,739	$1,483,092	$662,871	$818,387	$ 1,834
12-24 months	8013	38,084	$1,466,820	$655,598	$809,408	$ 1,814
25-30 months	8238	38,962	$1,502,720	$671,644	$829,218	$ 1,858
7 years	7249	29,203	$772,707	$345,363	$426,388	$ 955
9 years	7028	27,701	$737,893	$329,803	$407,178	$ 912
11 years	6773	25,323	$685,860	$306,546	$378,465	$ 848
13 years	6323	23,190	$695,665	$310,929	$383,876	$ 860
15 years	5968	21,628	$651,364	$291,129	$359,430	$ 805
17 years	6153	21,283	$650,838	$290,893	$359,140	$ 805
19 years	1812	3,192	$142,871	$63,856	$78,838	$ 177
Subtotal			$8,789,830	$3,928,633	$4,850,328	$10,868
FQHC Differential			$ 1,901,721	$ 827,586	$ 1,066,298	$ 7,836
Total			**$10,691,550**	$4,756,219	$5,916,627	$18,704

Estimate Cost for Developmental Screenings

Fee for Service and Managed Care

	FFS Estimate Children w/ Initial Screen	MC Estimate Children w/ Initial Screen	FY13 Total			
			FY13 Total	GFS	GFF	Local
Developmental Screens						
9 months	5194	23,341	$ 50,996	$22,793	$28,140	$ 63
18 months	4407	21,482	$ 45,131	$20,171	$24,904	$ 56
24 months	4531	21,930	$ 46,227	$20,661	$25,509	$ 57
Followup Developmental Testing - 10% of kids in first screen show positives, and will need these followups						
9 months	519	2,334	$ 434,118	$194,030	$239,551	$ 537
18 months	441	2,148	$ 396,801	$177,351	$218,959	$ 491
24 months	453	2,193	$ 405,318	$181,158	$223,659	$ 501
Subtotal			$ 1,378,590	$ 616,164	$ 760,722	$ 1,705
FQHC Differential			$2,276,379	$990,629	$1,276,370	$9,380
Total			**$ 3,654,969**	$ 1,606,792	$ 2,037,092	$ 11,085

Financial Models (continued)

Estimate Cost for Autism Screenings

Fee for Service and Managed Care

	FFS Estimate Children w/ Initial Screen	MC Estimate Children w/ Initial Screen	FY13 Total			
			FY13 Total	GFS	GFF	Local
Autism Screens						
18 months	4407	21,482	$ 40,364	$18,041	$22,273	$ 50
24 months	4531	21,930	$ 41,344	$18,479	$22,814	$ 51
Followup Autism Testing - 10% of kids in first screen show positives, and will need these followups						
18 months	441	2,148	$ 354,887	$158,618	$195,831	$ 439
24 months	453	2,193	$ 362,506	$162,023	$200,035	$ 448
Subtotal			$ 799,101	$ 357,160	$ 440,953	$ 988
FQHC Differential			$ 1,741,063	$778,172	$960,739	$ 2,153
Total			**$ 2,540,164**	$ 1,135,332	$ 1,401,692	$ 3,141

Note for financial models in comparison to WSIPP model -

We use Medicaid rates, WSIPP uses Medicare rates.

We include FQHC but WSIPP does not.

There may be other differences.